



# DC Connection



Issue No. 26

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## DON Financial Management Policy For Host-Tenant Relationships

A revision to the Department of the Navy (DON) Financial Management Policy Manual (FMPM) for host-tenant relationships was issued 9 July 1998. This change was issued in conjunction with the Installation Claimant Consolidation (ICC) which necessitated DON realignments in Base Operating Support (BOS) responsibility. While the ICC altered the manner by which DON executes BOS resources, the financial policy contained in the FMPM revision remains compliant with the Department of Defense (DoD) Financial Management Regulations and the DODI 4000.19, Interservice and Intragovernmental Support, of 9 August 1995.

### Key points in the DON FMPM and/or DODI 4000.19

The DON FMPM specifies the types of DON common service support provided by the host on a nonreimbursable basis and those items to be reimbursed by the tenant. The DON FMPM also distinguishes between common support/ reimbursable support for appropriated fund activities and Navy Working Capital Fund (NWCF) activities.

The DON FMPM indicates costs to the host for provision of unique support provided to one or more tenants, that are identifiable, and can be segregated or metered on a reasonable and meaningful basis will be reimbursed by the tenant. Prorating costs is not an acceptable methodology.

The DODI 4000.19 provides policy for interservice and intragovernmental support relationships. Interservice and intragovernmental support is reimbursable only when provision of the specified support for a tenant increases the host's direct costs. Costs associated with common use infrastructure are nonreimbursable, except for support provided solely for the benefit of one or more tenants. Support costs charged to a tenant must be measurable and directly attributable to the tenant.

In those instances where the host is a working capital fund activity, provision of tenant support should not be confused with reimbursement for working capital fund mission products and services. The approved stabilized rate is used by working capital fund activities to bill for mission products and services inherent to their business area; however, only the incremental direct cost is billed to tenants for base support services. Indirect costs are not charged to the tenant.

The DON FMPM revision may be downloaded from the FMO Web Site:

<http://navweb.secnav.navy.mil/fmo/index.htm>

Select "Policy Memos and Links," then "FMO Policy Determinations." The POC is Mrs. Donna White, FMB-5, DSN 325-6709, (202)685-6709, or

e-mail: [white.donna@fmo.navy.mil](mailto:white.donna@fmo.navy.mil)

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## DON Financial Management Specialists Receive Recognition

### ASN(FM&C) Recognizes DON Financial Managers In First Annual Financial Management Awards Program

The Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN[FM&C]) initiated the first ASN(FM&C) Awards Program. Its intent is to recognize and encourage notable contributions by organizations, individuals, and/or teams, in accomplishing the mission of the OASN(FM&C).

Ms. Gladys J. Commons, Principal Deputy Assistant Secretary of the Navy (PDASN[FM&C]) recognized the winners at the Service Day General Session at the ASMC PDI '99 in San Diego, CA.

Congratulations and best wishes to the winners of the first ASN(FM&C) Annual Financial Management Awards Program!



#### Team Awards

##### Outstanding Financial Management Teams

*Echelon 2 Commands or Above*  
Michael L. Morthland  
Staff Accountant (Team Leader)  
FMO, OASN(FM&C)  
Washington, DC

Team Members: Jack Nutter &  
Deborah Williams, Staff  
Accountants, DFAS

*Echelon 3 Commands or Below*  
Thomas R. Kolstad  
(Team Leader), District  
Manager

Team Members: Lynne  
Williams; Keith Morgan; Chris  
Mack; Teresa Harden; Lynn  
Hoover; Don Howard; Phillip  
Liddell; Kathy Richard; and  
Mary Ann Osborn  
Navy Exchange  
Great Lakes, IL

#### Functional Area Individual Awards

##### Accounting

*Echelon 3 Commands or Below*  
Joyce S. Schwen  
Administrative/Technical  
Specialist  
Naval Surface Warfare Center  
Crane Division, Crane, IN

##### Budgeting

*Echelon 2 Commands or Above*  
Dana V. Harrison  
Deputy For Financial  
Management  
Program Executive Office  
Patuxent River, MD

**Comptroller/Deputy Comptroller**  
*Echelon 2 Commands or Above*  
Gail D. Witcher  
Comptroller  
U.S. Naval Observatory  
Washington, DC

##### Education, Training, and Career Development

*Echelon 2 Commands or Above*  
Janet M. Vernon  
Head, Financial Policy Branch  
FMO, OASN(FM&C)  
Washington, DC

### ASMC Recognizes DON Financial Managers In 1998 Annual Awards Program



#### Comptroller/Deputy Comptroller

*Unit Under Major Command—Meritorious*  
LCDR Wilson J. Washington, Jr., USN  
Comptroller/Financial Manager  
Naval Medical Research Center, Bethesda, MD

*Unit Under Major Command—Meritorious*  
Mr. John Griffith  
Comptroller

Navy Fleet Material Support Office, Mechanicsburg, PA  
§

#### Analysis & Evaluation

*Unit Under Major Command*  
Kyle J. Ratliff  
Operations Research Analyst  
NCCA, OASN(FM&C), Washington, DC  
§

#### Auditing

*Major Command Headquarters or Higher*  
Ms. Teresa L. Harper  
Auditor

Naval Audit Service Eastern Office, Virginia Beach, VA  
§

#### Intern/Trainee

*Major Command Headquarters or Higher—Distinguished*  
Ms. Erin M. Kern  
Budget Analyst Trainee  
FMB, OASN(FM&C), Washington, DC  
§

#### Budgeting

*Major Command Headquarters or Higher—Meritorious*  
Ms. Linda Ann Tam  
Budget Analyst  
CINCPACFLT, Honolulu, HI

*Major Command Headquarters or Higher—Distinguished*  
Mr. John O. King  
Supervisory Budget Analyst  
FMB, OASN(FM&C), Washington, DC  
§

## PBAS Electronic Fund Authorization Documents Scheduled To Be Issued to Navy Commands Starting 1 October 1999

The Department of the Navy (DON) funds control and distribution function was moved to the Program Budget Accounting System (PBAS) effective 1 October 1998. Since then, all DON appropriated funding provided by FY 1999 appropriations and by unexpired prior-year appropriations at the Departmental level has been controlled and issued in the DON PBAS system.

PBAS was developed for the Army in 1984 and an Office of the Secretary of Defense (OSD) PBAS module for DOD appropriations (Treasury Index 97 funds) was implemented in FY 1997. The PBAS system is maintained and supported by the Defense Finance and Accounting Service (DFAS) in Indianapolis and operated on a UNISYS mainframe at the Defense Megacenter in Ogden, Utah. DFAS Indianapolis developed the DON PBAS module for DON appropriation funds control and distribution in 1998 and worked with the Office of Financial Operations, OASN(FM&C), to implement DON PBAS.

Since Phase 1 implementation on 1 October 1998, all DON-appropriated funding has been issued in DON PBAS from ASN(FM&C), the Departmental Level 1, to the Headquarters Level 2—the Chief of Naval Operations (CNO N82); the Commandant of the Marine Corps (HQMC); the Office of Naval Research (ONR); and the Assistant for Administration, Office of the Under Secretary of the Navy (AAUSN).

DON PBAS Phase 2 consisted of system enhancements completed in May 1999. DON PBAS Phase 3 calls for distribution of DON appropriated funding from the CNO and ONR to the Navy commands starting on 1 October 1999.

Issuance of funding in DON PBAS from the CNO and ONR to the Navy commands (Level 3) was originally scheduled to be implemented 1 October 1998, but was rescheduled because of difficulties in developing a series of interfaces. Although DON PBAS Level 3 implementation to the Navy commands is scheduled for 1 October 1999, actual implementation is contingent upon the successful completion and testing of interfaces between DON PBAS and the CNO Navy Headquarters Budget System (NHBS) and DON PBAS and the ONR Budget Accounting System (BAS).

Intermediate commands will continue to receive fund authorizations produced from NHBS and BAS until the planned 1 October 1999 DON PBAS implementation.

To receive fund authorization documents from CNO and ONR for all Navy appropriations—Treasury Index 17 funding—Navy commands should now be prepared to use the DON PBAS system effective 1 October 1999. Command comptrollers must ensure that their office has the necessary DON PBAS functionality and sufficient authorized users to access and receive their command's DON PBAS fund authorization documents. Sometimes it is

difficult to establish DON PBAS communications at local offices because of communication security procedures called *firewalls*.

INFOConnect Accessory Manager for Windows 95 and Windows NT is the recommended software for accessing PBAS. Many Navy commands were issued INFOConnect software in August 1998. Most Navy commands already have PBAS users who use OSD PBAS to receive DOD Appropriations—Treasury Index 97 funding.

Navy command comptrollers will soon receive training CD-ROMs for their personnel to use to teach themselves how to access PBAS. The DON PBAS CD-ROM contains many important technical facts on PBAS access. However, before personnel can access the actual PBAS database, each user must have an individual identification code called a *User ID* and password.

Command personnel designated as DON PBAS users should ensure they have their individual User ID and current password to access the DON PBAS system for command fund authorization documents (FADs). Designated command personnel still requiring DON PBAS User IDs should contact OASN(FM&C) by fax or e-mail. The fax number is DSN 325-6765, or (202)685-6765. The e-mail address is gormley.kevin@fmo.navy.mil

Questions on command access to DON PBAS should be referred to:

Kevin Gormley at DSN 325-6721, or  
(202)685-6721

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## OASN(FM&C) Announces Changes in FMO and FMB



### Office of Financial Operations Restructured

**R**ecognizing the new paradigms within the revolution in business affairs, the Office of Financial Operations (FMO), Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), is restructuring to an outcome-based rather than activity-based management structure. Inherent in the adaptation of this concept is a move from a hierarchical to a flat organization composed of three teams:

**Financial Information  
Enterprise Controls  
Financial Services and Commerce**

These teams will coordinate Department of the Navy core services for:

- accounting policy
- financial systems and procedures
- financial statements
- cost accounting
- management controls
- electronic commerce
- process improvements
- performance reports
- financial services

To provide better, faster and cheaper financial management services to the Department of the Navy, extensive contractor support will be utilized. Contractors will assist the core staff in responding quickly to emergent as well as longstanding problems with innovative, but practical solutions. FMO will maximize opportunities to apply self and shared services; adopt uniform data models; design and implement data warehouses; and, expand web-based applications.

Mr. A. Anthony Tisone will continue as the Director of FMO. He will lead a small staff of financial management professionals supplemented by contractor support. §

### Changes in the Office of Budget

**A**long with the restructuring of the Office of Financial Operations (FMO), the Office of Budget (FMB) will be gaining some functions. FMB-3 will add the functions of:

- Departmental funds allocations
- obligation and outlay plans
- liaison with the House Appropriations Committee Surveys and Investigations Staff (HAC(S&IS))
- management and maintenance of the Department of the Navy Industrial Budget Information System (DONIBIS)

A new branch was created in FMB-4, which will assist the Department with the resource and budgetary aspects of infrastructure efficiency initiatives, such as:

- competitive sourcing
- utilities privatization
- Smart Work initiatives
- Defense Reform Initiatives (DRIs)

The Budget Policy and Procedures Division, FMB-5, has been reestablished with the transfer of staff from the Financial Policy Branch, FMO-11. In addition to providing guidance for policy issues, other functions will transfer to FMB-5, such as:

- responsibility for merging and maintaining the Budget Guidance Manual with the Department of the Navy Financial Management Policy Manual
- approval of upward obligation adjustments for expired accounts
- Anti-Deficiency Act Violation Reports

The effective date for the addition of these new functions was 6 July 1999. Budget policy issues should be addressed to Mrs. Linda Meadows, FMB-5, DSN 325-6706, or (202)685-6706. Matters concerning the functions transferred to FMB-3 should be addressed to Mr. Wes McNair, DSN 225-1010, or (703)695-1010. §

Please check the FMB/FMO Web Sites for staffing information:

[navweb.secnav.navy.mil](http://navweb.secnav.navy.mil)

The Navy continues to experience problems with transportation bill-payment procedures even though bills are now paid by direct citation. The most pressing issue is the unpaid bills which remain suspended in the accounting system due to a lack of matching obligations. The requirement to bulk obligate funds for transportation transactions has had an adverse affect on the timely payment of transportation bills. Hence, the Navy has paid more than \$1 million in Prompt Payment Act interest charges to carriers this fiscal year, and that figure is rising. Commercial carriers are now hesitant to provide services to the Navy due to the late payments. Hundreds of transactions for a multitude of fiscal years and appropriations remain suspended at the Defense Finance and Accounting Service (DFAS) waiting for funds to be obligated.

The primary obstacle to obligating funds is the lack of visibility of transportation documentation by financial personnel. Detailed documentation is available in automated format, but only after bills are paid. Consequently, funds administrators do not have the detailed information needed to enter obligations for individual transportation transactions unless hard copy documentation is provided. The only way to obligate sufficient funds to ensure transportation bills are paid without delay is for funds administrators to obligate an estimated amount against each line of accounting to cover expected transportation charges for a period of time. Funds administrators

are reluctant to follow this procedure, and have balked against bulk-obligating funds without complete documentation.

Implementing the PowerTrack system in the Department of Defense will solve the documentation visibility issue. Unfortunately, PowerTrack is a future solution and does not address the existing problem. Even though interfaces between PowerTrack and DFAS are not yet complete, obligations will still need to be recorded manually, and all transactions will be prevalidated. Until PowerTrack's on-

### Paying Transportation Bills

line information provides the documentation required to obligate funds on a transaction-by-transaction basis, commands and activities must continue to enter bulk obligations to allow DFAS to clear the suspended payments. Errors that appear in reports after bills are paid can be corrected through normal accounting correction procedures. Although this "pay and chase" methodology is not ideal, it is the only way at the present time to clear the backlog and prevent higher interest charges. The Naval Transportation Support Center (NAVTRANS) has requested major commands with suspended transactions against any of their Transportation Account Codes to obligate funds immediately to clear the suspended charges.

Under the interim DFAS procedures for the initial implementation of

PowerTrack, if a line of accounting (LOA) fails the edit due to insufficient obligations, DFAS will increase the obligation to equal the billed value. If an LOA fails the edit due to no obligation, DFAS will either establish an obligation if the appropriate accounting data can be identified, or assign the current default LOA and process the payment. If errors do occur they can be corrected with the same procedures that are currently followed. Once PowerTrack is fully operational, these errors should be minimized.

During the initial phase of implementing PowerTrack within the Department of the Navy, the Navy will stand up 31 sites and the Marine Corps will stand up 7 sites. Transportation Officers and Funds Administrators impacted by the first phase are being trained to use of PowerTrack. Full implementation is expected by September 2000.

Questions concerning financial management issues should be directed to Capt (Sel) Karl Bernhardt, FMOA, at (202)685-6702, DSN 325-6702, or e-mail [bernhardt.karl@fmo.navy.mil](mailto:bernhardt.karl@fmo.navy.mil)

Functional issues related to the transportation business area for the Navy should be directed to Mr. Michael Jordan, NAVTRANS, Phone (757)443-5320 or DSN 646-5320, or e-mail at: [Lloyd\\_M\\_Jordan@navsup.navy.mil](mailto:Lloyd_M_Jordan@navsup.navy.mil) [Lloyd\\_M\\_Jordan@navtrans.navy.mil](mailto:Lloyd_M_Jordan@navtrans.navy.mil)

Functional issues for the Marine Corps should be directed to Mr. Fred Schutz at DC/S (I&L), Phone (703)695-8129, DSN 225-8129, or e-mail [schultzfm@hqmc.usmc.mil](mailto:schultzfm@hqmc.usmc.mil) S

### Ordering NAVCOMPT Manuals

#### Alert!

To order NAVCOMPT manuals, please refer to the article—"Update of NAVCOMPT Manuals"—published on page 3 of the Mar-Apr 99 issue of the *DC Connection*. **FMB-5 is now the policy point of contact for the manuals.** Please note that hard copies of the NAVCOMPT manuals are eliminated and will not be restocked upon depletion. You may requisition copies of the DON FMPM (NAVSO P-1000), or "in-stock" manuals, from: **NAVICP, Cog I Material, 700 Robbins Avenue, Philadelphia, PA 19111-5908.** Order the NAVCOMPT manuals through normal supply channels, in accordance with NAVSUP P-600, or P-437, using AUTODIN, DAMES, or MILSTRIP message format, to DAAS, Dayton, OH. S



**Naval Financial Management Career Center**  
**4<sup>th</sup> Quarter FY 1999**  
**&**  
**FY 2000**  
**Entry-Level Course Calendar**

**Principles of Navy Budgeting (PNB)**

10-12 Aug 99	San Diego CA	(W)
24-26 Aug 99	NAWC Patuxent River MD	(E)
07-09 Dec 99	Patuxent River MD	(E)
11-13 Jan 00	Norfolk VA	(E)
08-10 Feb 00	Washington DC	(E)
18-20 Apr 00	Pensacola FL	(E)
16-18 May 00	Pt Mugu CA	(W)
11-13 Jul 00	San Diego CA	(W)
18-20 Jul 00	Patuxent River MD	(E)

**Introduction to Navy Working Capital Fund (Intro NWCF)**

16-18 Nov 99	Jacksonville FL	(E)
16-18 Nov 99	San Diego CA	(W)
15-17 Feb 00	Patuxent River MD	(E)
28-30 Mar 00	Pensacola FL	(E)
23-25 May 00	Patuxent River MD	(E)
25-27 Jul 00	Washington DC	(E)
08-10 Aug 00	Norfolk VA	(E)

**Introduction to Navy Financial & Managerial Accounting (FMA)**

14-16 Sep 99	NAWC Patuxent River MD	(E)
07-09 Dec 99	Washington DC	(E)
11-13 Jan 00	Pt Mugu CA	(W)
25-27 Jan 00	Patuxent River MD	(E)
08-10 Feb 0	San Diego CA	(W)
16-18 May 00	Jacksonville FL	(E)
20-22 Jun 00	Patuxent River MD	(E)

*To register for the classes listed in this calendar, complete the appropriate Entry Level Nomination Form and Fax it to the POC at the East (E) or West (W) coast locations:*

POC East Coast Locations (E)—NFMC, Fax DSN 922-3821 or (850)452-3821

POC West Coast Locations (W)—Fax DSN 351-9846 or (805)989-9846

*For additional information, contact the Course Coordinator listed below, or visit the NFMC Web Site at*

<http://www.fma.hq.navy.mil/nfmc/nfmc.htm>

<u>Course</u>	<u>Coordinator</u>	<u>DSN</u>	<u>CM</u>	<u>New E-mail Address</u>
FMA	Sandi Palmer	922-3972	(850)452-3972	palmer.sandi@nfmc.navy.mil
PNB	Kendall Roose	922-3977	(850)452-3972	roose.kendall@nfmc.navy.mil
Intro NWCF	Ace DuBose	922-3972	(850)452-3972	dubose_ace@nfmc.navy.mil

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*E-Mail**(include all required information)*

lewis.bonnie@nfmc.navy.mil  
or nfmc@nfmc.navy.mil



## NFMC Changes E-mail Address Format Effective 1 Aug 99 General Mailbox Will Be Available

As noted in the below roster, NFMC's e-mail address format will change 1 Aug 1999 to: **lastname.firstname@nfmc.navy.mil**  
Also, there will be a general mailbox to which e-mail may be sent: **nfmc@nfmc.navy.mil**

### NFMC Staff Roster

Code	Title	Name	DSN	Commercial	Fax	E-mail Address
NFMC	Director	Tom Steinberg	922-3785 ....	(850)452-3785 .....	x3903	steinberg.thomas@nfmc.navy.mil
NFMC-D	Deputy	Patricia Cain	922-3786 ....	(850)452-3786 .....	x3903	cain.patricia@nfmc.navy.mil
NFMC-A	SpecAsst	Kay Hinds	922-3783 ....	(850)452-3783 .....	x3903	hinds.kay@nfmc.navy.mil
NFMC-11	EdSpec	Ace DuBose	922-3972 ....	(850)452-3972 .....	x3821	dubose.ace@nfmc.navy.mil
NFMC-12	EdSpec	Janice Travis	922-3977 ....	(850)452-3977 .....	x3821	travis.janice@nfmc.navy.mil
NFMC-13	EdSpec	Bonnie Lewis	922-3962 ....	(850)452-3962 .....	x3903	lewis.bonnie@nfmc.navy.mil
NFMC-14	EdSpec	Kendall Roose	922-3977 ....	(850)452-3977 .....	x3821	roose.kendall@nfmc.navy.mil
NFMC-15	EdSpec	Sandi Palmer	922-3972 ....	(850)452-3972 .....	x3821	palmer.sandi@nfmc.navy.mil
NFMC-1t	EdTech	Kate Spath	922-3972 ....	(850)452-3972 .....	x3821	spath.kate@nfmc.navy.mil
NFMC-2	ProgMgr	Brenda Lambeth	922-3878 ....	(850)452-3878 .....	x3903	lambeth.brenda@nfmc.navy.mil
NFMC-2t	MgtAsst	Gina M. Coggins	922-3819 ....	(850)452-3819 .....	x3903	coggins.gina@nfmc.navy.mil

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